

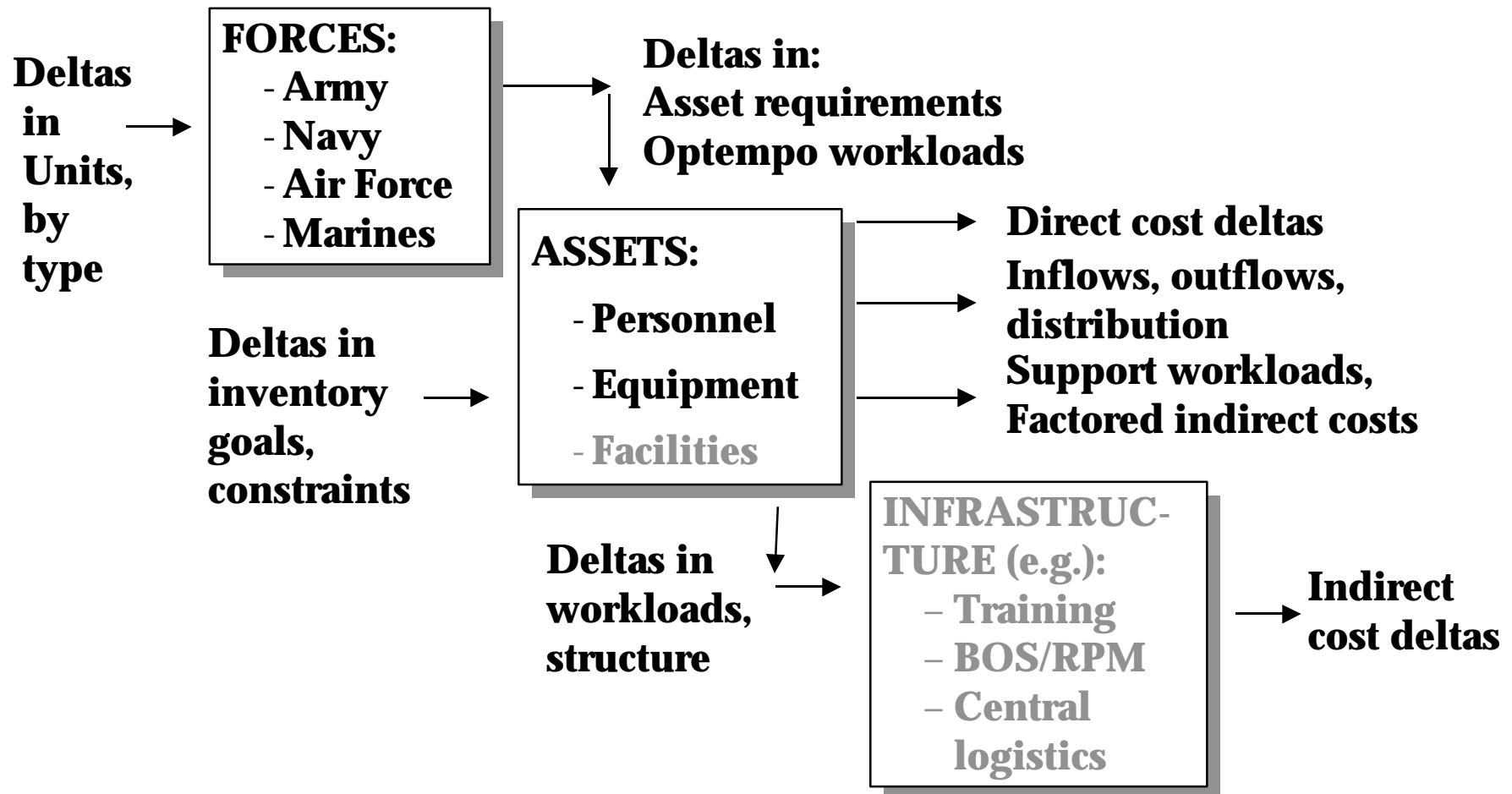
# **PA&E Force Structure & Infrastructure Cost Analysis Assessment**

**Don Tison  
Force & Infrastructure Cost Analysis Division  
OSD/PA&E**

# ***Force Structure Cost Analysis: What We Have/What We Can Do Now***

- **Force Structure Cost Models**
  - **RAND Air Force and Army cost models**
  - **UNISYS/MAI Navy and USMC cost models**
  - **IDA Force Acquisition Cost System (FACS)**
  - **Service-developed Air Force (SABLE) and Army (FORCES) cost models**
- **Force Structure and Related Data**
  - **Service-specific force structure files**
    - **Army units/manpower/equipment (MFORCE, TOE, TAEDP)**
    - **Air Force units/manpower/equipment (PA/PD, CMDB)**
    - **Navy ships & aircraft force structure (SASDT)**
  - **OSD PA&E Defense Program Projection used for years beyond FYDP**
  - **Service VAMOSC data and other cost factors**
- **Current Activities for FY 2000**
  - **Force structure cost models test and evaluation**
  - **Formal analyst training program**
  - **Development of facilities/installation support cost module**

# ***FSC Model Concept***



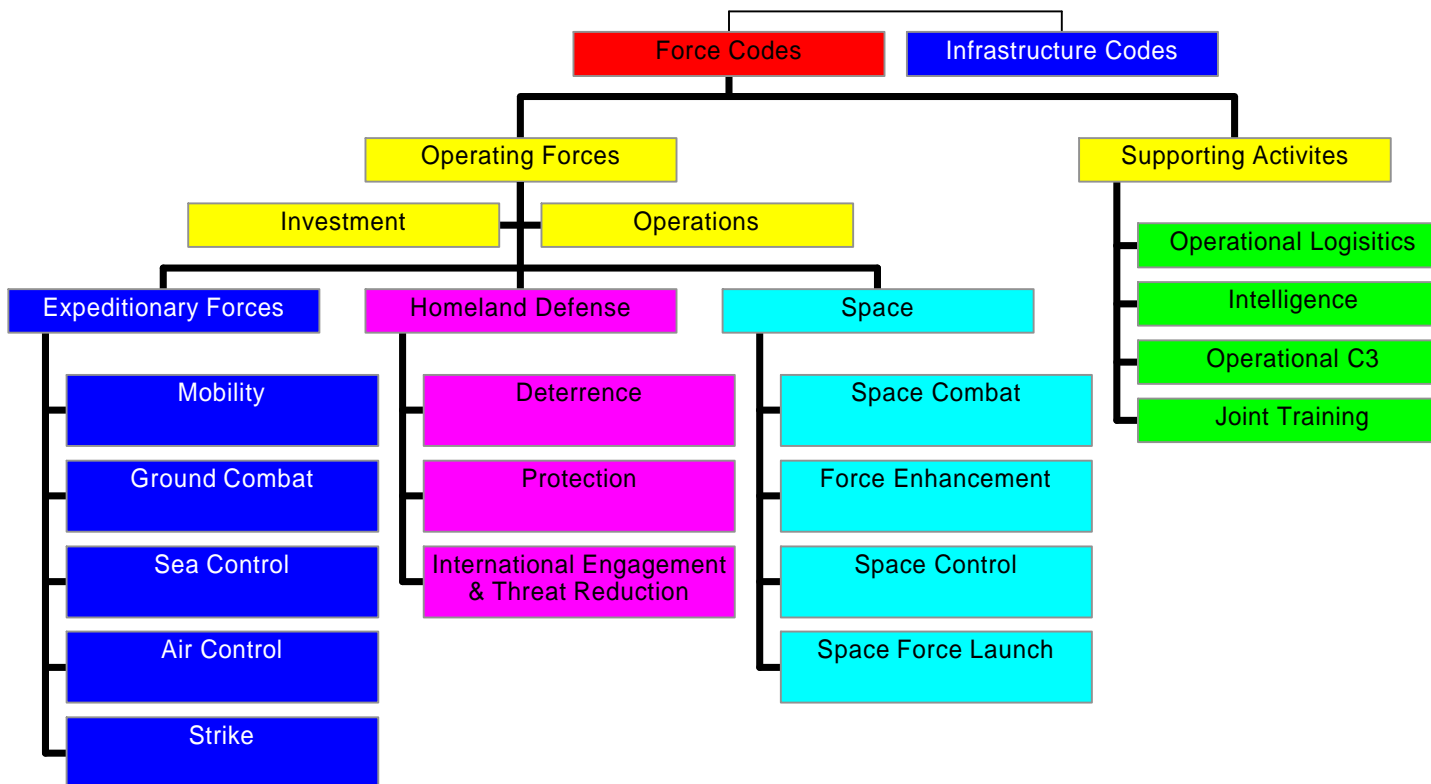
# ***Forces Taxonomy Background***

- **Infrastructure Categories developed in early 90s and applied to Program Elements**
  - Force PEs were assigned “temporary” codes
  - Current force codes are not used
- **Force Code Development Guidance**
  - Display forces consistent with doctrinal design
  - Updated Force displays consistent with QDR and other recent DoD force categorizations

# ***Force Structure Taxonomy Goals***

- **Create a Taxonomy that**
  - displays services as they see themselves
  - is consistent across services
- **Identify where FYDP PE and POM data structure does not support the characterization of forces.**
- **Identify the steps required to derive complete POM and FYDP Force Structure data directly from automated reports from Service databases.**

# ***Force Structure Taxonomy Coding***



# ***Infrastructure Cost Analysis: What We Have/What We Can Do Now***

- **Installation Support**
  - PA&E Facility Assessment Database
  - IDA Facilities Aging Model
  - DUSD(I) Facilities Sustainment Model
  - POM data on BOS/RPS/RPM (funding versus requirements)
- **Central Logistics**
  - POM data on logistics expenditures through Working Capital Funds
  - POM data on depot maintenance (requirements, funding, and backlogs)
- **Central Medical (Defense Health Program)**
  - Historical and projected trends in health care costs & underlying drivers
  - Capitation model based on a finite number of resources and beneficiaries
  - Can assess cost implications of policy options or cost reduction efforts
  - Developing a “should cost” model
- **Competitive Sourcing and Privatization (Cross-Cutting Issue)**
  - Have plans and schedules for military services and defense agencies
  - Can estimate manpower and dollar savings for alternatives

# ***Infrastructure Cost Analysis: What We Have/What We Can Do Now***

- **Functional Assessments**
  - PA&E FYDP-Based Acquisition & Technology Workforce Analysis
  - LMI Logistics Cost Baseline
- **PA&E Defense Program Projection**
  - Analysis of programs and resources projected beyond FYDP
  - Identifies migration risks and provides assessments of long-term affordability
  - Includes selected support accounts (BRAC, DHP, Competitive Sourcing, etc.)
- **Tutorial Point Papers on Infrastructure Categories (On-Going Effort)**
  - FYDP-based trend analyses of resources (based on IDA FYDP normalization)
  - History of previous efforts and initiatives (DMR, BUR, QDR/DRI)
  - Survey of possible issues for next QDR
  - Re-visit/validate program element assignments in infrastructure category definitions
- **Other**
  - Track defense-agency/defense-wide manpower (relative to DRI targets)
  - Track management headquarters manpower (relative to DRI targets)



# ***VAMOSC & ABC/M O&S Tools***

- **VAMOSC provides a “product oriented” view of cost ~ direct and some indirect costs of Weapons Systems**
- **ABC/M provides a “functionally oriented” view of costs to enable better understanding of infrastructure and other direct methods**

## **VAMOSC Initiatives**

- Common Cost Element Structure
- Central O&S WEB Site
- DAU Sponsored Training

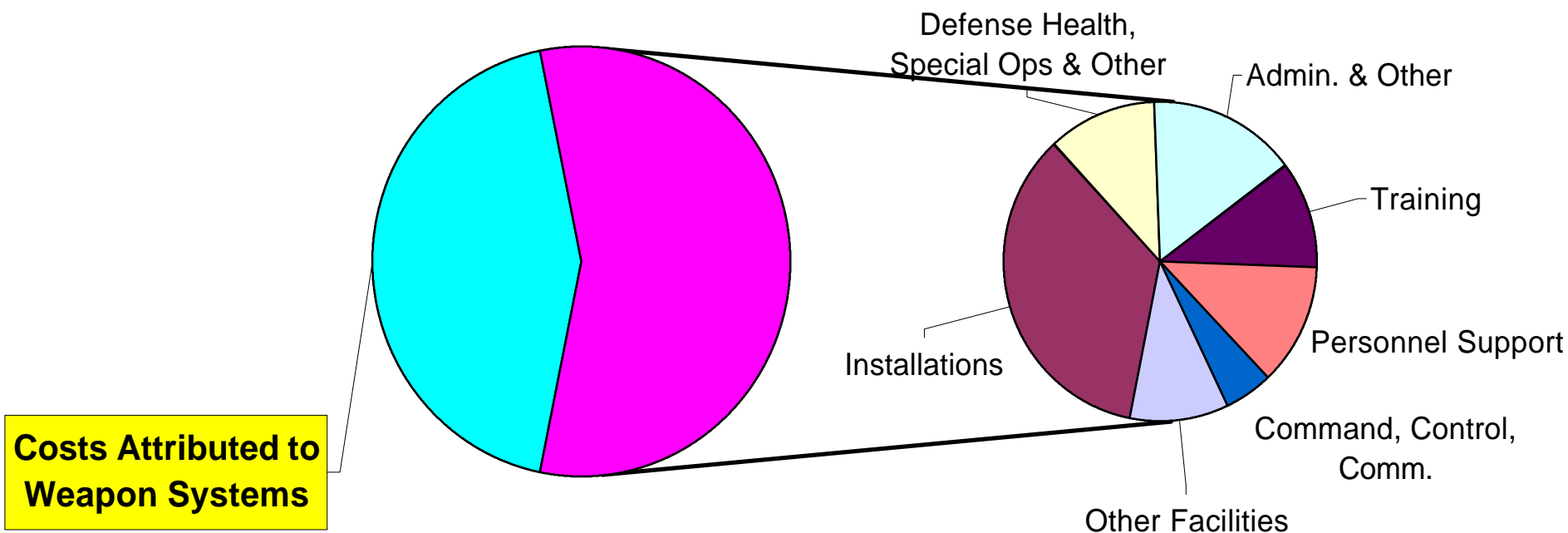
## **ABC/M Initiatives**

- Components developing implementation plans
- Reviewed by DSAC Semi-Annually

## VAMOSC Coverage of Navy OMN and MPN (\$38B FY98) (Excludes Marine Corps)

**Weapon Systems account for  
roughly 46%  
OMN and MPN is \$17B**

**Costs not presently attributed to  
Weapon Systems--roughly 54%  
OMN and MPN is \$21B**



Note: VAMOSC also includes costs for modifications and spares from the procurement appropriations.